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HEALTHCARE CONSULTING

FQHC Long Range Plan

Executive Summary

Milwaukee Health Care Partnership

Primary Care Access Study

Milwaukee, Wisconsin

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Planning Profitable and Sustainable Growth

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Contents

1. EXECUTIVE SUMMARY

1.2 Project Overview

The Milwaukee Health Care Partnership (MHCP or Partnership) engaged Clarus Healthcare Consulting (Clarus) to facilitate a coordinated effort among the Partnership Members, the Wisconsin Primary Health Care Association, and other community entities involved in Milwaukee County's health delivery system to create a five-year community wide plan among Milwaukee's Federally Qualified Health Centers that identifies capacity building requirements to meet community health needs particularly related to access to primary care services for vulnerable populations.[1] The Partnership and the broader community recognize the value of the Federally Qualified Health Centers (FQHCs), as they are uniquely positioned to care for these populations.

To that end, the goals of Clarus' FQHC Long Range Planning Study were defined as follows:

1. To conduct a Community Wide Market Assessment to characterize how the vulnerable populations in Milwaukee County would change over the next five years;
2. To define existing capacity to provide primary care medical services for vulnerable populations within the health delivery system in Milwaukee County and to quantify the unmet demand by vulnerable populations for these services;
3. To develop strategic recommendations for building capacity primarily through the expansion of the FQHCs as one way to meet the need for primary care access for vulnerable populations;
4. To identify ways that the FQHCs could collaborate to improve overall efficiency and to strengthen the coalition of FQHCs in Milwaukee County; and
5. To quantify the level of operational and capital funding required to develop primary care capacity to meet the demand for services by vulnerable populations in Milwaukee County as determined by the community's ultimate capacity building strategy.

[1] The MHCP defines vulnerable populations as people who are uninsured, and people insured through Medicaid and GAMP.

Data and Information Sources: Over the course of a seven-month period, Clarus worked with multiple sources within Milwaukee County and the state of Wisconsin to collect and synthesize data that was pertinent to the study goals. This data was used to define access to primary care in Milwaukee County and was instrumental in developing the growth plans for each individual health center. The outcomes of the data analysis in conjunction with the growth that each FQHC can reasonably achieve, has been used by Clarus to estimate the gap in access that will continue to exist in Milwaukee County. Closing this gap will take a coordinated effort of all players in the health delivery system and a commitment of resources to support both on-going operations of the organizations providing primary care to vulnerable populations and the development of facilities and infrastructure. Organizations that provided data include:

<u>All four FQHCs</u>

- Audited financial data and current financial operating data
- 2007 patient management system data including visits, charges, adjustments, collections, CPT coding, and ICD-9 coding
- Operations data including position control lists, hours of operation, numbers of providers, productivity per providers, total clinical hours per provider by provider type, and programs and services data
- UDS data

<u>All five health systems</u>

- Data from Froedtert from the Solucient data base
- Data for owned and operated primary care practices:
  - Aurora submitted data for 12 practices
  - Children's submitted data for 13 practices
  - Columbia St. Mary's submitted data for 21 practices
  - Wheaton Franciscan submitted data for 18 practices
  - Froedtert/MCW submitted data for 4 practices

The Wisconsin Hospital Association

The Milwaukee County Medical Society

18 Free Clinics and/or Community Clinics

The Wisconsin Department of Health Services

The Wisconsin Primary Health Care Association

Milwaukee County Department of Health and Human Services

Secret Shopper Telephone Survey of physician practices coordinated with the University of Wisconsin – Milwaukee

1.3 Summary Findings

Market Analysis

- Total population of the county is projected to decline on average by -0.3% annually through 2012.
- Medicaid population in Milwaukee County is projected to grow 26% from 161,100 in 2007 to 202,600 by 2012.
- As a result of BadgerCare Plus expansion, uninsured population is projected to decline12.5% from 116,700 in 2007 to 101,800 by 2012.
- BadgerCare Plus expansion is projected to expand coverage to 33,200 uninsured and GAMP users by CYE2009.
- Vulnerable population is increasing at the greatest rate in the Northwest area of Milwaukee County.
- Highest concentration of vulnerable population remains in the central area of Milwaukee County.
- The zip codes with the highest levels of poverty, which also have the highest proportion of the vulnerable population in the county, account for approximately 45% of the county's total population

Emergency Department Analysis

- Of the 170,100 emergency department visits in the twelve months between 2006 and 2007, which were primary care treatable, 43% were by people insured through BadgerCare and 16% were people who were uninsured.
- People insured through BadgerCare had the highest rate of use of the emergency department for primary care treatable conditions. As the BadgerCare population expands under the state's 2008 and 2009 expansion plans, primary care use of the ED will become a more critical issue.

Provider Supply

- Physician to population ratio analysis suggests that Milwaukee County as a whole has more than an adequate supply of clinic based primary care providers.
- The majority of physicians practice on the western edge of Milwaukee County with nearly 1/3rd of all clinic based primary care physicians practicing in four, contiguous, western county zip codes (53214, 53222, 53226 and 53227).
- The zip codes with the highest levels of poverty have the fewest numbers of primary care physicians. These zips account for 45% of the total county population, 71% of the county's vulnerable population and 27% of the total primary care physicians.

- Between 53% and 69% of clinic based primary care physicians in Milwaukee County are employed by or have affiliation agreements with one of the five health systems.
- Health system employed and affiliated physicians treated approximately 33% of Milwaukee County's Medicaid population and approximately 3.7% of Milwaukee County's uninsured population in 2007. Residency clinics associated with the health systems treated approximately 7% of Milwaukee County's Medicaid population and approximately 1% of Milwaukee County's uninsured population in 2007.
- Approximately 5% of all clinic based primary care physicians are employed by one of the four FQHCs.
- FQHCs treated approximately 15% of Milwaukee County's Medicaid population and 11% of Milwaukee County's uninsured population in 2007.
- Free Clinics and/or Community Clinics treat approximately 10% of Milwaukee County's uninsured population[2].

Primary Care Capacity and Gaps in Access

- As of CYE2007, the vulnerable population was estimated to represent 32% of the total county population or 293,000 people.
- As of CYE2007, 133,800 or 46% of the vulnerable population accessed primary care service in Milwaukee County.
- As of CYE2007, the FQHCs provided primary care services to 13% of the vulnerable population in Milwaukee County or 38,800 people. [3]
- As of CYE2007, 159,400 people in the vulnerable population lacked access to primary care services, representing a gap in access to primary care services for the vulnerable population of 54%.
- By CYE2008, FQHCs are projected to expand medical capacity to provide care to 16% of the vulnerable population, reducing the overall county-wide gap in access to primary care from 54% in 2007 to 52% in 2008.

Capacity Building Strategies

- Capacity building strategies were examined under a moderate growth scenario and an aggressive growth scenario over a five-year period from 2007 to 2012.
- Under the moderate growth scenarios by 2012 the FQHCs would expand total user capacity by 55% over 2007 user capacity.

[2] Includes visits provide by Nurse Practitioners.

[3] Primary care services here refers only to medical visits to an IM, PEDS, FP and OB/GYN primary care provider.

- Under a moderate growth scenario, assuming that the number of people treated by non-FQHC practices remains fixed, the vulnerable population's gap in access to primary care would decline from 54% in 2007 to 48% in 2012.
- Under a moderate growth scenario, the FQHCs would provide access to primary care for an additional 26,900 medical users of whom 18,300 are insured through Medicaid and 5,100 are uninsured.
- The FQHCs would need on-going operational support between $2.04M and $2.45M in funding to implement this moderate growth strategy as two of the four FQHCs' uncompensated care expense already exceeds that provided through federal and state grant funds to provide care to the uninsured.[4]
- The FQHCs would need capital funds to implement this moderate growth strategy of $7.2M based on the individual project budgets for each FQHCs project.
- Under an aggressive growth scenario, assuming that the number of people treated by non-FQHC practices remains fixed, the vulnerable population's gap in access to primary care would decline from 54% in 2007 to 37% in 2012.
- Under an aggressive growth scenario, the FQHCs would provide additional access to primary care for 33,500 more medical users, which is over and above that provided under the moderate growth scenario. Of these new medical users, 23,900 would be insured through Medicaid and 9,600 would be uninsured.
- Under an aggressive growth scenario, two new sites would be developed, as two of the major FQHCs are landlocked, and a new facility would be developed to replace the facility on Lisbon.
- The FQHCs would need on-going operational support between $3.8M and $4.6M in funding, above and beyond that which would be required to fund the moderate growth scenario. These on-going operational funds would be required to implement this aggressive growth strategy as three of the four FQHCs' uncompensated care expense already exceeds that provided through federal and state grant funds to treat to the uninsured.
- As none of the FQHCs has the ability to take on new or significant debt, the Partnership and the broader community would need to develop capital funding between $6.8M and $12.8M to implement this aggressive growth strategy. This funding level equates to a cost of $203,000 to $485,000 per new provider.

[4] Cost of treating one uninsured medical user at an FQHC in Milwaukee County costs between $400 and $480 per users per year.